



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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**Minutes of the  
WSTIP Quarterly Board Meeting  
June 25, 2021  
Zoom/Enzian Inn - Leavenworth**

<b>Board Members Present</b>		
Jenny George, At-large Member Rep, Asotin County PTBA	Tabitha Hayden, RiverCities Transit	
Jeff Lubeck, Ben Franklin Transit	Joe Macdonald, Skagit Transit	
Betsy Dunbar, Central Transit	Monique Liard, Spokane Transit	
Dunyele Mason, Clallam Transit	Jesse Kinney, Vice-President, Valley Transit	
Geri Beardsley, Large Member Rep, Community Transit	Shonda Shipman, Past-President, Whatcom Transportation Authority	
Scott Deutsch, Secretary, C-Tran	<b>Guests Present</b>	
Tom Hingson, Everett Transit	Brian White (broker), Alliant Insurance Services	
Brandy Heston, Medium Member Rep, Grant Transit	Lilian Vanvieldt (broker), Alliant Insurance Services	
Ken Mehin, Grays Harbor Transit	Kevin Wick (actuary), PricewaterhouseCoopers	
Suzanne Coit, Treasurer, Intercity Transit	Magan Waltari, Whatcom Transportation Authority	
Staci Jordan, Island Transit	<b>WSTIP Staff Present</b>	
Sara Crouch, Jefferson Transit	Cedric Adams, Claims Manager	
Paul Shinnors, Kitsap Transit	Matthew Branson, Deputy Director	
Justin Brockwell, Link Transit	Anna Broadhead, Board Relations	
Shawn Larson, Link Transit	Tracey Christianson, Executive Director	
LeeAnn McNulty, Mason Transit	Chris DeVoll, Transit Risk Specialist	
Mike Ringgenberg, Mason Transit	Rick Hughes, General Counsel	
Michael Wagner, Pacific Transit	Laura Juell, Risk and Training Coordinator	
Bill Kessler, Pierce Transit	Joanne Kerrigan, Member Services Manager	
Danette Rogers, President, Pierce Transit	Joel Lambert, Claims Associate	
Wayne Thompson, Pullman Transit	Brandy Rhodes, Administrative Assistant	
Amy Asher, RiverCities Transit	Christine Rouse, Application Support Specialist	
Elizabeth Halili, RiverCities Transit	Karey Thornton, Accounting and Payroll Specialist	

**Call to Order**

President Rogers called the meeting to order at 9:01 am. Verbal roll call took place. Rogers stated she was going to move the action items accept Capital Adequacy Assessment and the Governance Policy Capital Funding Philosophy to follow the Q&A session, she asked for a motion to accept the agenda. **Shipman moved to accept the agenda. Macdonald seconded the motion and the motion passed.** Rogers asked if there were any guests to introduce, there were no guests besides Magan Waltari who had attended prior. There were three *Behind the Curtain* prizes (Brockwell, Larson, and Wagner).

**Discussion****Q&A Feedback from Pre-Recorded Work Session Topics**

**Capital Adequacy Assessment** – Wick fielded questions from Board Members ranging from, will the Pool ever reach the target, to why go with the insurance industry 1 in 100 to 1 in 200, reviewed what the colors represented on the heat map, and how the prior short-term/long-term goals were contraindicatory. [Click here](#) to view Wick's presentation.

## Action Items

### Accept Capital Adequacy Assessment

Christianson said the request is to accept the Capital Adequacy Assessment meaning it has been presented to the Board. It is still up to the Board to incorporate the results into policy (next action item). ***Kinney moved to accept the Capital Adequacy Assessment. Deutsch seconded the motion and the motion passed.***

### Governance Policy- Capital Funding Philosophy

***Macdonald moved to approve the Capital Funding Philosophy. Liard seconded the motion and the motion passed.***

The Board took a break at 9:52 am and resumed the meeting at 10:00 am.

### Member Representative Meeting Report and Discussion

Beardsley, Heston, and Ocampo gave updates on each group's discussion. Each group talked about the pre-recorded Work Session videos, Capital Adequacy Assessment, property and cyber coverage renewals, reminding vanpool groups that personal use is not covered, supply chain problems, and appreciated the information shared regarding facilitation and the differences between basic and premium Driver Record Monitoring services.

### Annual Report

Shipman said the 2020 Annual Report had been sent out.

### Driver Record Monitoring: Trial of Premium Service

Branson said he would be sending an inquiry to each Member not already on premium service, so that they can either accept or decline the trial of premium service being offered by Data Driven Safety at no additional charge through the end of 2021. Branson and Christianson answered questions about what data would show up by using premium vs basic service, what agencies could do with the information obtained depending on collective bargaining agreements and internal policies, and how soon the selection would need to be made. For questions regarding Driver Record Monitoring Trial of Premium Service, please reach out to Branson.

### Strategic Plan Item 4b Update

Kerrigan explained Strategic Plan Item 4b (*Increase to 100% the Members who adopt technological solutions that reduce the risks associated with cyber liability by December 31, 2022.*) was informational only, no action required. As a Pool 20 Members are actively doing employee awareness training for network security. She is having conversations with the remaining five. Several Members are using KnowB4, she is working on trying to get bulk pricing for the membership, working on alternative solutions to reduce cyber liability risks with Sean Hoar and reminded everyone to use the Network Security Grant.

### Financial Reports as of May 2021

#### Treasurer's Report and Management Discussion and Analysis, Comparative Statement of Net Position, Claim Reserves Report, and Statement of Revenues and Expenses with Budget

Branson said the Pool's mid-year trend is favorable, we are trending under budget. He appreciates Coit's review and feedback. We are preparing to submit information for the mid-year actuarial review. There were no questions regarding the financial statements.

## Staff Reports

### Executive Staff Report

Christianson warned that she had bad news regarding the insurance renewals the property renewal has come in 40 percent higher than last year. She appreciated everyone attending both virtually and in-person. She is working to secure the Munich Re (\$5 million to \$15 million) layer. We are requesting permission to bind as soon as we receive

the Munich Re quote, unless the quote exceeds 12 percent, and then we will likely call a special meeting. The underwriter from Munich Re, Joe Peppelman, will be joining us at the September Board meeting. Branson stated the audit is ongoing as they are having staffing challenges, talked about GASB 84, and noted property appraisals are scheduled for a handful of Members in July. Kerrigan reported six responses to the Learning Management System Request for Proposal, the Collision Avoidance Warning System project is wrapping up at Pierce with final presentation at national conferences, the Member Document Portal is up and running and as Board Members you have access to your Coverage Documents, Risk Profiles, Certificates of Insurance, and Rate Sheets. Adams reminded everyone to return the Communicable Disease Claim questionnaire or return the declination to pursue a claim by July 9. He also gave an update on open and recently closed claims, subrogation, and open litigated claims.

The Board took a short break at 11:05 am and resumed the meeting at 11:15 am.

#### General Counsel's Report

Hughes said his report is included in the materials. He noted giving a presentation to the WSTA HR Committee regarding workplace investigations and said there are new grants available to public agencies in Washington for energy retrofits. If you would like more information, please reach out to Hughes.

#### Broker's Report

White and Vanvieldt gave an update on the state of the insurance market (videos are available on the [Work Session Agenda](#)). White emphasized how difficult the property, cyber, and even liability renewals are in this extraordinary time. If you have questions regarding the Broker Report, please reach out to White or Vanvieldt.

#### President's Quarterly Report on the ED Goals

Rogers said as part of the Executive Directors evaluation last year we set goals, she submits a report monthly to the President on progress towards the goals. She is continuing to emphasize the "why" in all the communications to the Board and is preparing her staff to be succession ready. She is meeting the goals, submitting great reports, and going the direction the Board is expecting.

#### Action Items

##### Minutes – March 26, 2021

**Heston moved to approve the minutes from March 26, 2021. Shipman seconded the motion and the motion passed.**

#### Governance Policy: New Member Admissions

Kinney said there were minor changes to the New Member Admissions Policy to clarify that a new Member could utilize their own broker, but the Pool will not reimburse for those fees. This change is directly from an AGRiP Advisory Standard. **Liard moved to adopt the New Member Admissions Policy. Shipman seconded the motion and the motion passed.**

#### Bind Property Boiler Machinery Renewal

White and Vanvieldt talked about the insurance market challenges and fielded questions from the Board Members regarding the renewal. Topics covered included replacement costs, the price of lumber and how it is affecting the insurance market, unnamed locations, vacant buildings. If you purchase a property, be sure to report it to WSTIP and Alliant so that it can be placed on the Schedule of Values, if the building is vacant, it has a lower sub-limit. Property exclusions should bad actors hack into your HVAC system and lower or raise the thermostat causing damage the claim may be pushed to cyber rather than property. White talked about how the Pool looked at raising the self-insured retention (SIR) from \$250,000 to \$500,000, \$750,000, and even \$1 million but the Pool's loss history is good so there would be no credit for taking more risk. Christianson said Staff are asking permission to bind the Property Boiler Machinery coverage for \$1,690,984.37 for the July 1, 2021 – 2022 coverage year. **Liard**

***moved to bind the Property Boiler Machinery coverage for \$1,690,984.37. Macdonald seconded the motion and the motion passed.***

**Bind Cyber**

White and Vanvieldt shared information the Cyber Liability Market, difficulties in securing carriers, and limits. Christianson said we are asking permission to bind the Cyber Liability (including the buy down coverage) for \$51,050. ***Liard moved to bind the Cyber Liability Buy Down for \$51,050. Deutsch seconded the motion and the motion passed.***

**Bind Auto-Physical Damage Excess Coverage**

White said this renewal is for the coverage that protects the buses while on the road and in the yard should there be a fire. He reminded everyone to notify him of new bus purchases that exceed \$1.5 million immediately. ***Kinney moved to bind the Auto-Physical Damage Excess Coverage as presented (\$295,679.56). Heston seconded the motion and the motion passed.***

**Permission to Bind Liability Reinsurance Munich RE**

Christianson said the request for permission to bind the Munich RE layer is in the packet. ***Heston moved to grant the Executive Director the authority to bind the Munich RE layer if the premium does not exceed 12% of last year's premium. Hingson seconded the motion and the motion passed.***

**Adjournment**

Rogers appreciated seeing everyone and hopes to see everyone in-person in September. She thanked Staff for all their hard work for this meeting noting that a hybrid meeting isn't easy but was successful.

***Crouch moved to adjourn the meeting at 12:29 pm. George seconded the motion and the motion passed.***

Submitted this 24th day of September 2021

Approved:   
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Scott Deutsch, Secretary